

**\*\*Title:\*\***

Peñafrancia Shipping Corporation and Santa Clara Shipping Corporation v. 168 Shipping Lines, Inc. (G.R. No. 172877)

**\*\*Facts:\*\***

**\*\*Initial Application:\*\***

- On September 28, 2007, 168 Shipping Lines, Inc. (Respondent) filed an application with MARINA Regional Office V (MARINA RO V), Legaspi City, for a Certificate of Public Convenience (CPC) to operate M/V Star Ferry I on the route Matnog, Sorsogon to Allen, Northern Samar, and vice versa.

**\*\*Intervention and Opposition:\*\***

- Peñafrancia Shipping Corporation and Santa Clara Shipping Corporation (Petitioners) opposed the application, claiming respondent failed to submit a Certificate of Berthing, proposed an impossible trip schedule, and there was already an overtonnage on the route.

**\*\*Respondent's Counter:\*\***

- Respondent argued an application for CPC is not adversarial and does not require a Certificate of Berthing under Republic Act No. 9295 and its IRR.

**\*\*MARINA RO V Decision:\*\***

- MARINA RO V required an amended application with feasible schedules which the respondent failed to provide adequately. On February 1, 2008, MARINA RO V denied respondent's application. Respondent's Motion for Reconsideration was denied.

**\*\*Appeal to MARINA Administrator:\*\***

- On March 26, 2008, respondent appealed to the MARINA Administrator, who on August 8, 2008, reversed the MARINA RO V decision, granting the respondent's application.

**\*\*Petitioners' Appeal to CA:\*\***

- Petitioners sought reconsideration which was denied. They appealed to the Court of Appeals (CA) under Rule 43 but CA dismissed the petition due to non-exhaustion of administrative remedies, requiring first an appeal to the DOTC Secretary and the Office of the President (OP).

**\*\*CA Decision:\*\***

- CA held MARINA was an attached agency under the DOTC and decisions should be

exhausted administratively to the DOTC Secretary and the OP first. Petitioners filed for reconsideration, which was denied, prompting this current petition to the Supreme Court.

**\*\*Issues:\*\***

1. **\*\*Forum Shopping:\*\*** Whether petitioners committed forum shopping by filing a moratorium petition.
2. **\*\*Appeal Process:\*\*** Whether the decision of the MARINA Board exercises quasi-judicial function and requires appeal first to the DOTC Secretary and the OP before reaching the CA.

**\*\*Court's Decision:\*\***

1. **\*\*Forum Shopping:\*\***
  - **\*\*Resolution:\*\*** The Court determined there was no forum shopping. The moratorium petition sought prospective relief, unrelated to the retroactive voiding of the CPC issued to the respondent in the main case. Each case involved different causes of action and prayed for different reliefs.
2. **\*\*Appeal Process:\*\***
  - **\*\*Resolution:\*\*** The Court ruled that the CA's dismissal was proper due to failure to exhaust administrative remedies. While MARINA Board decisions are not reviewed by the DOTC Secretary due to MARINA being an attached agency, appeals must nonetheless go to the OP before judicial review by the CA. The doctrine of qualified political agency does not apply here because ex officio members act as part of the MARINA Board, not as alter egos of the President.

**\*\*Doctrine:\*\***

- **\*\*Exhaustion of Administrative Remedies:\*\*** Agencies' decisions subjected to review by administrative superiors before resorting to judicial courts.
- **\*\*Qualified Political Agency Limitation:\*\*** Members acting ex officio in boards or agencies' decisions are not treated as direct presidential acts.

**\*\*Class Notes:\*\***

- **\*\*Key Concepts:\*\***
  1. **\*\*Exhaustion of Administrative Remedies:\*\*** Mandates administrative appeal processes are exhausted before judicial intervention.
  2. **\*\*Doctrine of Qualified Political Agency:\*\*** Agency actions by heads in board capacities do

not equate to alter ego functions.

3. **Attachment in Administrative Law:** Some agencies like MARINA are attached for coordination, not hierarchical supervision.

- **Essential Provisions:**

- **Section 19, Chapter IV, Book VII of Administrative Code (1987):** Framework for administrative appeals.

- **Section 38, Chapter VIII, Book IV of Administrative Code (1987):** Defines administrative relationships; supervision and control do not apply to attached agencies.

**Historical Background:**

- **Administrative Structure Evolution:** MARINA's establishment under PD 474, attachment to DOTC under EO 546, later consequences in jurisdictional hierarchies.

- **Institutional Context:** Expansion of autonomy in attached agencies aiming to streamline maritime transportation policy and coordination with executive departments for effective governance.

This brief highlights the procedural complexity in administrative appeal processes and asserts the necessity of adhering to established frameworks for administrative review before resorting to judicial remedies.